

Dallas Police and Fire Pension System
Thursday, April 12, 2018
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX

Regular meeting, William F. Quinn, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m. William F. Quinn, Nicholas A. Merrick, Samuel L. Friar, Ray Nixon, Gilbert A. Garcia, Frederick E. Rowe, Joseph P. Schutz, Kneeland Youngblood

Present at 8:33 a.m. Tina Hernandez Patterson

Present at 8:49 a.m. Blaine Dickens

Absent: Robert C. Walters

Staff Kelly Gottschalk, Josh Mond, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Milissa Romero, Greg Irlbeck, Linda Rickley

Others Chuck Campbell (via telephone), Leandro Festino, Alexandra Wallace, Aaron Lally, Jeff Williams, Jill Svoboda, Rachel Pierson, Janis Elliston, David Elliston, Darryl Wachsman, Carolyn Freeman, James Freeman, Jerry M. Rhodes, David Waks, Zaman Hemani

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The meeting was called to order at 8:30 a.m.

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A. MOMENT OF SILENCE

The Board observed a moment of silence in memory of active police officers Edward C. Gilliam, Tammy R. Huel, active firefighters Brian J. McDaniel, Randell E. Willmon, Angie Wilson, retired police officers Daniel L. Carpenter, Walter R. Colvin, Milton R. Jarvis, Charles H. King, Jr., Ronald E. Dummer, and retired firefighters C. E. Duncan, Robert P. McMahan, Paul L. Anderson, Ryle E. Sexton, Lewis D. Eppes.

No motion was made.

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B. CONSENT AGENDA

1. Approval of Minutes

Regular meeting of March 8, 2018

- 2. Approval of Refunds of Contributions for the Month of March 2018**
- 3. Approval of Activity in the Deferred Retirement Option Plan (DROP) for April 2018**
- 4. Approval of Estate Settlements**
- 5. Approval of Survivor Benefits**
- 6. Approval of Service Retirements**
- 7. Approval of Payment of DROP Revocation Contributions**
- 8. Approval of Payment of Military Leave Contributions**
- 9. Denial of Hardship Requests**

After discussion, Mr. Garcia made a motion to approve the minutes of the meeting of March 8, 2018. Mr. Youngblood seconded the motion, which was unanimously approved by the Board. Mr. Dickens and Ms. Hernandez Patterson were not present for the vote.

After discussion, Mr. Youngblood made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Garcia seconded the motion, which was unanimously approved by the Board. Mr. Dickens was not present for the vote.

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**C. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR
INDIVIDUAL CONSIDERATION**

1. January 1, 2018 Actuarial Valuation assumptions

Jeff Williams, of Segal Consulting, the Board's actuary, reviewed the assumptions used in the January 1, 2017 actuarial valuation and recommended no changes in the assumptions to be used in preparing the January 1, 2018 actuarial valuation reports for the Plan and the Supplemental Plan.

No motion was made.

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2. Investment Consultant finalist

Ms. Gottschalk stated that at the March 8, 2018 Board meeting, the Chairman appointed a sub-committee to hold in-person interviews with three investment consultant candidate firms. After holding the interviews, the sub-committee and staff jointly selected Meketa Investment Group as the finalist to be interviewed by the full Board, subject to the staff conducting an on-site due diligence visit.

Leandro Festino, Managing Principal, Alexandra Wallace, Principal, and Aaron Lally, Executive Vice President, were present from Meketa Investment Group. They provided an overview of their firm, team, resources and capabilities to the full Board as part of the interview.

After discussion, Mr. Youngblood made a motion to hire Meketa Investment Group as the Investment Consultant for DFPF and to authorize the Executive Director to enter into an investment management agreement with Meketa. Ms. Hernandez Patterson seconded the motion, which was passed by the following vote:

For:	Youngblood, Hernandez Patterson, Quinn, Merrick, Friar, Dickens, Rowe, Schutz
Against:	None
Abstain:	Garcia and Nixon

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3. Investment-related items

- a. Consideration of the liquidation of GAA asset class
- b. Consideration of the redeployment of excess cash

The staff discussed the above investment-related items with the Board.

No motion was made.

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4. Investment watchlist criteria

At the March 8, 2018 Board meeting, the Board requested a briefing on the investment manager “watchlist” policy. Staff provided a review of the Investment Monitoring section of the current Investment Policy Statement and discussed the investment “watchlist” criteria with the Board.

No motion was made.

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5. 2017 audit plan

Jill Svoboda, Partner, and Rachel Pierson, Manager, representatives of BDO, DPFPP’s external independent audit firm, presented their audit plan for the year ending December 31, 2017.

No motion was made.

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6. Appointment of Audit Committee

Ms. Gottschalk stated that the Committee Policy and Procedure provides for the appointment by the Chairman and confirmation by the Board of an Audit Committee and that the Audit Committee meet privately with the independent auditor, without DPFPP staff present, at a minimum on an annual basis. The audit process is underway and the audit is expected to be finalized in June or July depending on the timing of the receipt of material asset audited financial statements and the actuarial valuation.

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6. Appointment of Audit Committee (continued)

The Chairman nominated the following members for the Audit Committee: Bill Quinn (Chair), Nick Merrick, Gilbert Garcia.

After discussion, Mr. Youngblood made a motion to confirm the appointment of the following members of the Audit Committee: Bill Quinn (Chair), Nick Merrick, Gilbert Garcia. Ms. Hernandez Patterson seconded the motion, which was unanimously approved by the Board.

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7. Board Agenda Planning Calendar

Ms. Gottschalk presented the Board Agenda Planning Calendar and discussed the anticipated major agenda items for the remainder of the year.

No motion was made.

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Mr. Nixon left the meeting at 12:00 p.m.

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8. Repeal of Board Resolution Relating to Section 6.063 of Article 6243a-1 and Amendment of DROP Policy

The Board went into a closed executive session – legal at 8:58 a.m.

The meeting was reopened at 9:31 a.m.

No motion was made.

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9. USERRA update

Mr. Quinn updated the Board on the status of his discussions with the City of Dallas regarding contributions pursuant to USERRA.

No motion was made.

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10. Legal issues

- a. Claims against fiduciaries and other third-party advisors
- b. Degan et al. v. DPF (Federal suit)
- c. DPF v. The Townsend Group and Gary Lawson

The Board went into a closed executive session – legal at 12:14 p.m.

The meeting was reopened at 12:27 p.m.

No motion was made.

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11. Board approval of Trustee education and travel

No discussion was held and no motion was made regarding Trustee education and travel.

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12. Hardship Requests from DROP Members

No discussion was held and no motion was made regarding hardship requests from DROP members.

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13. Minimum Educational Training Requirements

The Executive Director discussed the Minimum Educational Training Requirements and the timing of training with the Board.

No motion was made.

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D. BRIEFING ITEMS

1. Reports and concerns of active members and pensioners of the Dallas Police and Fire Pension System

No active member or pensioner requested to address the Board with concerns.

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2. Executive Director's report

- a. Associations' newsletters
 - NCPERS Monitor (March 2018)
 - NCPERS PERSist (Spring 2018)
- b. Employee Service Award
- c. Chief Financial Officer recruitment update
- d. Chief Investment Officer recruitment update
- e. State Affairs Committee Hearing

Ms. Gottschalk presented the Executive Director's report. She stated that John Holt, Information Technology Manager, had been recognized for 30 years of service to the City of Dallas and Dallas Police & Fire Pension System.

No motion was made.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Garcia and a second by Ms. Hernandez Patterson, the meeting was adjourned at 12:33 p.m.

[signature]

William F. Quinn
Chairman

ATTEST:

[signature]

Kelly Gottschalk
Secretary

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